

02/25/05

ASSIGNMENT AND ASSUMPTION AGREEMENT effective as of February 16, 2005.

BY AND BETWEEN:

RGR GENERAL PARTNERSHIP, a partnership
duly constituted according to the laws of Quebec,

(hereinafter referred to as the "Assignor");

AND:

ENCAPSULATION PROCAPS INC, a
corporation duly incorporated according to the laws
of Quebec, and AIRTECH INDUSTRIES INC. (or
AIRTECH INNOVATION INC.), corporations
duly incorporated under the laws of Quebec

(hereinafter collectively referred to as the
"Predecessor");

AND:

PAINTBALL L.P., a limited partnership duly
constituted according to the laws of Ontario,

(hereinafter referred to as the "Assignee");

AND:

NATIONAL PAINTBALL SUPPLY, INC., a
corporation incorporated under the laws of Delaware,

(hereinafter referred to as "National");


(the Assignor, the Predecessor, the Assignee and
National are sometimes hereinafter collectively
referred to as the "Parties").

~~WHEREAS~~ National and the Predecessor entered into (i) a distribution agreement dated as of
September 20, 2004, and (ii) an Exclusive Distributor Agreement dated June 12, 2002 as amended
pursuant to that confirmation of contract terms dated September 20, 2004 (collectively
"Contracts");

WHEREAS the Predecessor proposes to assign all its property and assets, including its interest in
the Contracts, to the Assignor;

WHEREAS by a purchase agreement dated February , 2005 (the "Asset Purchase
Agreement"), the Assignee is to acquire from (i) the Assignor, 9081-5416 Quebec Inc., 3954099
Canada Inc., 3954102 Canada Inc. and 3411681 Canada Inc., all of the assets of the Assignor and
its predecessors in interest (including the Predecessor) relating to the manufacturing and
distribution of paintballs, accessories and protective clothing and (ii) from the holders thereof all
of the shares of 9084-9654 Quebec Inc.;

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WHEREAS National has consented to the assignments and assumptions contemplated by this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants herein set forth and for other good and valuable consideration and the payment of \$10 dollars by each of the Parties to the others, the Parties agree as follows:

1. The preamble hereto shall form an integral part hereof, as if herein set forth at length.
2. The Predecessor hereby assigns all its right, title and interest in the Contracts to the Assignor and the Assignor hereby accepts such assignment and assumes all the obligations of the Predecessor under the Contracts.
3. The Assignor hereby assigns all its right, title and interest in the Contracts to the Assignee and the Assignee hereby accepts such assignment and assumes all the obligations of the Assignor under the Contracts for all matters arising from and after the closing of the transactions contemplated by the Asset Purchase Agreement ("Closing").
4. National hereby acknowledges and agrees to the said assignments and assumptions of each of the Contracts. To the extent that there are any claims as between National and either of the Predecessor and the Assignor; all such claims shall remain matters as between National and each of the Predecessor and/or the Assignor (as the case may be) and the Assignee shall not be liable in any manner to any of National, the Predecessor or the Assignor in for in respect of any claims. and National shall not have any claim, set-off, defense or other right against the Assignee with respect to matters existing, occurring or arising on or prior to the Closing No such claim or dispute as between National and either of the Predecessor and the Assignor shall constitute a default under the Contracts. National agrees to seek and obtain any remedy it may have against the Predecessor and/or the Assignor against either or both of them directly without disturbing the rights of the Assignee under the Contract and without terminating or taking any remedial action that would adversely affect the rights of the Assignee under the Contract.
5. ~~This Agreement shall be construed and interpreted in accordance with the laws of [insert].~~
6. This Agreement shall enure to the benefit of and be binding upon the Parties, their respective successors, administrators, representatives and assigns.
7. Each of the Parties shall, with reasonable ^{Reasonably} diligence, do all such things and provide all such ~~(reasonable)~~ assurances as may be required to consummate the transactions contemplated by this assignment and assumption agreement, and each Party shall provide such further documents or instruments required by any other Party from time to time as may be reasonably necessary or desirable to effect the purpose of this assignment and assumption agreement and carry out its provisions.
8. The Parties acknowledge that they have requested and are satisfied that this agreement and all other documents and notices related thereto be drawn up in English. *Les parties aux présentes reconnaissent qu'elles ont exigé que cette convention et tous les documents et avis y afférents soient rédigés en anglais et s'en déclarent satisfaites.*

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RGR GENERAL PARTNERSHIP

Per: _____

ENCAPSULATION PROCAPS INC.

Per: _____

Name: _____

Title: _____

**AIRTECH INDUSTRIES INC. OR
AIRTECH INNOVATION INC.**

Per: _____

Name: _____

Title: _____

NATIONAL PAINTBALL SUPPLY, INC.

Per: _____

Name: Eugenio Restrepo

Title: President / CEO

**PAINTBALL L.P., by its general partner
2063149 ONTARIO INC.**

Per: _____

Name: _____

Title: _____